

CHESTER BOWLES
ESSEX, CONNECTICUT

November 13, 1957

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Dear Allen:

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Your letter in which you suggested an appointment in your office on November 8th arrived in Essex just as I was leaving Washington to return home. It was then too late to change my plans. However, I did see both Bob Amory and [redacted]

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I am deeply concerned, as I am sure everyone in Washington must be, over the defense situation. With a gambler like Khrushchev in charge of Soviet domestic and foreign policy and in possession of even a marginal military advantage, we will face critical times in the next few years.

I am almost equally concerned, however, with the likelihood that in our proper concern with the need to redress the military balance, we will be diverted from the less dramatic, but increasingly urgent economic, political and ideological aspects of the struggle.

If this occurs, we will continue to lose ground in the underdeveloped continents which both Lenin and Stalin believed to be the decisive stepping-stones, first to domination over Europe, and ultimately over the world. The further weakening of our position in Asia and Africa in the next three or four years, coupled with dramatic Soviet advances in the military field may persuade many of our friends in Europe and Latin America to move towards a neutral position.

Thus I believe it is vitally important for our government to explore with a fresh and open mind the means by which we can regain the political, economic and ideological initiative in all those parts of the world which are likely to be decisive.

Europe, of course, belongs high on our agenda and its place there is assured by the impending NATO meeting in Paris. Japan, Southeast Asia and the complex question of our future relations with Communist China are also critically important.

In this letter, however, I shall deal with what I believe we can accomplish in the more limited but perhaps more immediately critical area between Cairo and Calcutta. As I see it, our policy in this area should have the following objectives:

In the Middle East: to create a more favorable image of the United States, to bring to a stop the spread of Soviet influence in this area, to keep the oil flowing on reasonable commercial terms, to ease Arab-Israeli tensions, and to help

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lay the basis for the kind of economic development that makes for orderly growth.

In South Asia: to ease the present destructive tension between Pakistan and India, to develop an effective counter-pull to Soviet pressure on Afghanistan, to encourage more rapid economic development throughout the area along generally democratic lines and to bring Indo-American relations into closer harmony in a way that will strengthen our political position with the Asian-African group as a whole.

For the longer haul I believe that our policy should be designed to develop India as a steadily growing, dynamic counter-force against Chinese economic, ideological and ultimately even military expansion into Southeast Asia.

The following general procedure would, I believe, help us to meet the immediate objectives I have outlined and to lay firm foundations for the promotion of our long range national interests in this area.

1. Our government would make it clear that it will do everything within its power to support India's urgent financial requirements under the Second Five Year Plan. While the Administration cannot promise a wholly favorable result, it will muster whatever resources it can from funds now available and present the full case to Congress after it convenes in January.

(Note: After recent talks with many leaders in both parties and considerable recent contact with American public opinion in several states, I am convinced that the necessary support can almost certainly be created -- provided, however, that the program is presented persuasively and with thorough documentation by the President in a series of high level meetings with both Congressional and national public opinion leaders. I have several specific suggestions on how the financial burden involved in meeting India's needs can be lightened and the proposal made much more appealing to Congress, which I will not burden you with now).

2. At the same time we would assure Pakistan that we are likewise prepared vigorously to support her own economic development.

3. Against this background we would urge both Pakistan and India to make a fresh start in easing the present tense relations between the two nations. Specifically, I suggest the following points:

- (a) In the present highly-charged atmosphere agreement on the Kashmir issue is impossible. The inflamed state of public opinion within the two countries rules out retreat or major compromise by either government.

With the understanding that neither nation is abandoning its legal and moral position, it would, therefore, be agreed that this question should be left out of the immediate discussions.

(Note: An autonomous Kashmir guaranteed by both governments may be the ultimate answer. No one would accept it now. But I believe that both nations must sooner or later start looking for a graceful way out).

- (b) Both nations would be asked to agree that under no circumstances except a flagrant attack by the other, would they resort to war.
- (c) Both nations would be asked to agree (and this requires cooperation on our part) to a balance of military power which is adequate, not only to the defense of each, but to that of the area as a whole.
- (d) Both nations would be asked to accept the World Bank proposals for the allocation and development of the Indus Valley water resources.

4. We should also reopen the question of a port for Afghanistan on the Arabian Sea and a railroad line from there to Afghanistan. In Kabul last winter I was told that the most likely location was not in Pakistan but in Iran. The possibilities in both countries should vigorously be explored, if practicable, through the World Bank.

For some time to come such a port would not, of course, be self-supporting. Because of its profound appeal to the Afghans, however, as a "window on the world", its political value in counteracting the growth of Soviet trade and influence would be very great.

In February of this year in Karachi, I discussed this question at length with President Mirza and ex-Prime Minister Suhrawardy. They not only agreed that Pakistan has a major stake in softening the increasing Soviet grip on its northern neighbor, but seemed aware that this required positive action and even some sacrifice on Pakistan's part. General Mirza asked me to send him in confidence my personal views on the situation in Afghanistan following my visit there, which I did.

5. Simultaneously we should propose a fresh, dramatic approach to the crisis in the Middle East. This is important enough, I believe, to justify a personal appearance by the President before the General Assembly as in the case of the Atoms for Peace proposal. This proposal might be along the following lines.

- (a) A moratorium on all arms shipments into this area should be agreed to for a period of years.

If we had proposed such a moratorium immediately after the Suez blowup, as several of us suggested then, we would be in a vastly stronger position today. A continuation of the present arms race clearly does not now serve our interests. I would not run away from this question now simply because Shepilov publicly proposed it first.

The most formidable difficulty, of course, involves Turkey which is not only our major ally in the Middle East but also the eastern anchor of the NATO defense line. To meet the military requirements of this situation we might propose that the Soviet Union set up an insupportable neutral belt along Turkey's frontiers and withdraw whatever Soviet troops may now be in Bulgaria and Rumania in return for the inclusion of Turkey in the proposed moratorium.

- (b) A Middle East Economic Development Corporation should be set up and all foreign assistance, from whatever source, channeled through it. This would demonstrate our willingness to provide economic aid free of political strings. The Soviet Union would be challenged to offer similar proof of its good intentions by following our example.

An effort should be made to induce the major Middle East oil producing nations to direct some of their oil revenues into the development of the entire area by the purchase of interest bearing Corporation bonds or some other device. To assure that all of the funds would be wisely spent we could propose that a management contract be made with the World Bank.

This Corporation would have the responsibility of not only developing the human and natural resources of the area including the Jordan River, but also of working out practical solutions for the permanent resettlement of the refugees.

- (c) We must, in fact, recognize the political impossibility at this time of persuading the Arab nations to accept the Israeli borders as they now exist. However, an essential part of the three-point program would be an agreement by the Arab nations and Israel that no attempt would be made to change these borders by force. This de facto acceptance of the status quo could lead to political settlements in the future as emotions gradually subside.

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6. In discussing this Middle East proposal with India and other South Asian governments we should urge them to make their own direct contribution to the political stability of this area by promptly establishing their own embassies in Tel Aviv. On this question, as on many others, the present Indian position is illogical. In the course of our negotiations we should not hesitate to point this out.

The proposals which I have suggested cover a very large area. However, I believe that a piecemeal approach at this stage will be totally ineffective in regaining the initiative for the United States. A bold, broad proposal on the other hand, will dramatize our determination to deal in a forthright, confident way with the forces which primarily concern the people of this area. Furthermore, when individual questions are discussed in such a broad context there is more room left for diplomatic maneuver; more advantages are also available with which to encourage compromise by the various interests.

In the last six months I have discussed this policy approach to both the Middle East and South Asia with many leading Asians. Without exception they encouraged me to feel that it would be welcomed, not only in New Delhi, Ceylon and Burma, but in all probability in Pakistan.

Last February in Karachi, President Mizra and ex-Prime Minister Suhrawardy of Pakistan gave me the clear impression that they were looking for some way to ease their relations, not only with Afghanistan but with India, without losing face in the process. They were also blunt in saying that the Eisenhower Doctrine in itself would not be adequate to meet the complex demands of the Middle East crisis.

In Kabul Na'im and Da'ud also gave every indication that they would welcome such proposals from America as a practical means of giving new political stability to the entire Middle East-South Asia area.

Talks with Dr. Nahum Goldman, Ambassador Eban and others left me confident that the Israelis would be favorable. Several knowledgeable Americans with close Arab connections assure me that this approach from us would also come as a relief to most of the Arab peoples, including many in Egypt and Syria. My recent talk with Bitar reinforced this view.

But one thing is certain: if the Soviet Union failed to accept a thoroughly responsible Middle East proposal of this kind, it would find itself in a critically exposed position. The world would then know who is responsible for a continuation of the power struggle in this area. This, it seems to me, is the very least that we have to gain from a

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forthright proposal of this kind.

In South Asia also we have much to gain and nothing to lose by a fresh, creative effort to relieve present tensions and to help our friends and potential friends to find common ground for cooperation.

I am suggesting this general procedure or approach or whatever you may wish to call it in the fervent hope that the Administration may now be ready for new thinking. We urgently need to catch the imagination of people everywhere, and to position ourselves dramatically and strongly as a creative force for peace and stability.

We also need to restore the confidence of our own countrymen in their government's capacity to match the Soviet Union in the field of economics, politics and ideology as well as in matters of defense.

With my warmest regards.

Sincerely,



Chester Bowles

Mr. Allen Dulles
Central Intelligence Agency
Washington 25, D. C.
CB:fmo

Executive Registry

9.9447

12 December 1957

AWD/Enc

MEMORANDUM FOR: Director of Central Intelligence

VIA: A/DD/P/P

SUBJECT: Letter to DCI from Chester Bowles dated
13 November 1957

1. In view of the fact that the Bowles letter deals with objectives and actions involving basic foreign policy decisions, it is not recommended that the DCI attempt to send any detailed answer. This memorandum, therefore, is for the Director's information and background for future discussions which may take place with Mr. Bowles.

2. It is difficult to argue with the stated objectives of laying the basis for economic and political stability in the Middle East and South Asia, while continuing to protect United States interests.

3. The first specific recommendation is that the United States do everything in its power to support India's financial requirements for the second Five Year Plan, on the theory that our policy should be designed to develop India as a dynamic counter force against the expansion of Red Chinese influence into Southeast Asia. I believe that this objective is unassailable, and that we should provide substantial support to India's efforts in the field of economic development. Unless he has changed his thinking in the past few years, I imagine Mr. Bowles has in mind an aid program which would in effect close the substantial gap between India's own resources and the requirements of her second Five Year Plan. As the Director knows, neither the Administration nor the Congress has been willing thus far to put anything like this kind of investment into the Indian program, and I believe this is basically a wise decision. Mr. Bowles believes that the climate of public opinion in the United States is such that a greatly increased program for India could be sold to the Congress. I share his belief that, if properly handled, we could and should increase the level of our support through loans and other financial means, but I doubt if this could be achieved in the magnitude which I believe Mr. Bowles would consider appropriate. 16

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4. His second recommendation is that we should assure Pakistan that we are likewise prepared vigorously to support her own economic development. I would concur heartily in this, and go further to say that we should not be too worried if Pakistan were to receive comparably more economic assistance than India. If we equate our assistance based on the size and population of the countries, I think Pakistan would have legitimate grounds for wondering why they should commit themselves as strongly as they have in support of United States policy in international affairs.

5. The third recommendation is that we should urge both Pakistan and India to make a fresh start in easing the present tense relations between them. Specifically, Mr. Bowles suggests a piecemeal approach to the overall problem, involving commitments that neither will militarily attack the other, an agreement on a balance of military power, and an acceptance of World Bank proposals in connection with the Indus Valley water dispute. This differs from the plan now being developed by Ambassador Bunker and the Department of State for a "package deal" negotiation involving a consideration of all outstanding major disputes between the two countries, including Kashmir as well as the Indus Valley, somewhat along the lines of the Trieste deal. I believe that the Bunker proposals are preferable to the Bowles proposals, and are at least worth a try in the first instance. The piecemeal approach has been attempted on various occasions, with a notable lack of success. Apart from the general strategy, I believe that the Bowles proposal regarding a balance of military power between the two countries is somewhat unrealistic. I cannot see the Pakistani and the Indians, particularly the former, agreeing at this time to a limitation of armaments at present levels, and any attempt to agree on a formula for the future would, in my opinion, be a practical impossibility.

6. Mr. Bowles recommends that steps be taken to re-open the question of a seaport for Afghanistan, and suggests that Iran would be a more suitable location than Pakistan. The idea of a port for Afghanistan has considerable merit, and I think we should ascertain the present status of thinking by ICA, the Department of State, and possibly the World Bank as to how this might be effected. I do not think we should give up on the idea of an access to Pakistan ports, but this would involve a vast improvement in relations between the two countries.

7. Mr. Bowles makes a number of recommendations concerning the Middle East. The first of these is that a moratorium on all arms shipments into this area should be agreed to for a period of

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years. He includes Turkey in his definition of the Middle East, and acknowledges that this proposal would involve a formidable difficulty with respect to that country. In order to handle this problem, he suggests a neutral belt along Soviet/Turkish borders and a withdrawal of Soviet troops from Bulgaria and Rumania. I believe that an arms moratorium in this area is wholly unrealistic, unless it were to become a part of a broader agreement with Russia on armament limitations generally. In the absence of a global settlement of this issue, any attempt on our part to dicker with the Soviets on armaments for the Middle East as such could only hasten the loss of such friends as we now have in the area. This does not suggest that we should foster an arms race, but the idea of a formal moratorium for this area alone does not seem at all feasible.

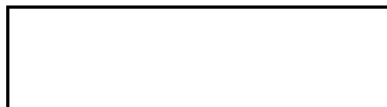
8. The second Middle East recommendation involves encouragement and assistance to a Middle East Economic Corporation. Mr. Bowles does not indicate whether or not this Corporation should be set up as an indigenous unit within the area or whether other countries outside of the area should actually join. To my own personal knowledge, proposals along these general lines have been kicking around the Government for the last eight years, but have never gotten off the ground. I feel that the idea of a Corporation or a Development Bank for the area is a very sound one, and perhaps vital to the future of the area. The Director will recall recent conversations with [redacted] and others on this subject. I believe that such a Corporation should be formed at the initiative of the States in the area, although we would probably have to take measures to inspire and support such an initiative. According to the Director's wishes we will be actively exploring current thinking within the Government on this issue, and perhaps it should be made a matter of specific concern by the OCB.

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9. Mr. Bowles last recommendation involves an agreement by the Arab Nations and Israel that no attempt would be made to change the present borders by force. He feels that a defacto acceptance of the status quo could lead to political settlements in the future "as emotions gradually subside". I feel that this recommendation displays a shocking ignorance of the core of the problem in the Near East. In the absence of substantial concessions by Israel on major issues such as resettlement and

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compensation of refugees, the status of Jerusalem, etc., and reciprocal concessions on the other side, I see no hope for a genuine peace in the area or for a fundamental improvement of United States relations with the vast majority of the people who live in the area. This is a complex question, and one which should be given the highest priority attention within our Government, but I am disappointed that a person with the intelligence and acumen of Mr. Bowles should feel, as he evidently does, that we can sweep these issues under the rug and that some how everything will work itself out in time.



Chief
Division of Near East
and Africa

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Attachment - 1
Basic document

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CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	INITIALS	DATE
1	DD/P	<i>W</i>	EST 4 '57
2	1046 L		
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4	<i>CNEA</i>	<i>Wickham</i>	<i>NT</i>
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ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
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CONCURRENCE	INFORMATION	SIGNATURE

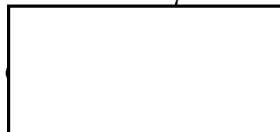
Remarks:

ER 9-8568

The Director asked to have your views
on the attached letter from Chester Bowles.

Suspense - 10 December 1957

9:30 AM Wickham
11/16



FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO. DATE

3 Dec 57

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

CNEA

NO.

DATE

12 December 1957

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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cc attached

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DCI

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DCI discussed Mr. Bowles letter with him in their 2 December meeting and does not plan to acknowledge it.

Fmc
15 Dec '57